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STATE FOR EEB/IFD/OMA, EEB/EPPD, AND NEA/MAG
USDOC FOR ITA/MAC/ONE (MASON)
CASABLANCA FOR FCS (KITSON)

E.O. 12958: N/A
TAGS: [ECON](#) [EFIN](#) [EINV](#) [ETRD](#) [TS](#)
SUBJECT: ONE U.S. COMPANY'S INVESTMENT SHEDS LIGHT ON
MAGHREB INVESTMENT CLIMATE

Sensitive but unclassified; please protect accordingly.

Summary

¶1. (SBU) Vistaprint, an American graphic design and printing company, inaugurated its offices in Tunis on January 13. Its investment is a textbook example of the kind of investment the GOT is seeking to target: a value-added, job-creating enterprise which can transfer technology and know-how to Tunisia. In attendance were senior Tunisian investment officials and the Ambassador. The company, with presence in North America, Europe, and Latin America, chose to invest in Tunisia after a detailed study of investment climates in Morocco and Tunisia. Ultimately, it chose Tunis as its platform to provide customer support and remote graphic design consulting services because Tunisia offered a more educated and cheaper labor pool with a broader skill base. Vistaprint's CEO and founder, Robert Keane, also noted there was less competition with other large employers in Tunisia for the available talent pool. End summary.

GOT Helpful on Investment

¶2. (SBU) Present at the January 13 opening were the head of the Government of Tunisia's Foreign Investment Promotion Agency (FIPA), Monghia Khemiri, Director General of Foreign Investment at the Ministry of Development and International Cooperation, Nouredine Zekri, and the Ambassador. Vistaprint's executives enthusiastically lauded FIPA for providing assistance in securing a lease on the property and providing guidance on a host of issues from the initial days of the project.

Vistaprint's Investment

¶3. (SBU) Vistaprint is a web-based printing and graphic design service specializing in "mass customization." Their business model is to deliver custom-designed, low-cost printed products, even in small quantities. Most of their customers are individuals or small businesses, totaling over one million worldwide. The company's sales grew 30 percent last year, and according to Radwen Tekaya, Vistaprint's General Manager in Tunisia, the same is expected for 2010. With 1,600 employees worldwide and sales in 120 countries, Vistaprint conducts business in French, Italian, Spanish and English.

¶4. (SBU) Vistaprint's initial investment in Tunisia was 1 million TND (approximately \$770,000) with a view to employ up to 65 people by the end of 2010 and then expand to over 100 employees. Its Tunisia office will provide customer and graphic design support for Europe only, with a view to enter the Tunisian printing services market in the future. A major part of the decision to invest in Tunisia, according to Keane, was the talented, multilingual labor pool. Since the Tunisia office will be providing support to the European market, employees have to be fluent in French and at least one other language (Spanish or Italian) and speak some English. During the visit, the Ambassador and Econoff attended an in-progress training session, and most of the new trainees identified themselves as recent college graduates. (Note: this is the sector of Tunisian society with the highest unemployment rate. End note.)

Tunisia versus Morocco

¶5. (SBU) According to Keane, Vistaprint had looked closely at both Morocco and Tunisia before making the decision to invest. It ultimately chose Tunisia because there was a wider pool of talent from which to hire, the cost of the talent was marginally lower, and because Vistaprint would enjoy less competition from other multinationals looking to hire from the same talent pool. Keane said the infrastructure in Tunisia was good, and he had received a warm welcome from the government upon his decision to invest.

Comment

¶6. (SBU) Vistaprint is a small example of a company which, like many other investors, has weighed the investment climate in Tunisia against others in the Maghreb. It sees Tunisia as low-cost, high-talent platform to serve the European market. Additionally, the GOT has welcomed this investment with open arms, as Vistaprint targets the exact unemployed demographic the GOT is most worried about: recent college graduates. Vistaprint's investment is a textbook example of the kind of investment the GOT is trying to target: a value-added, job-creating enterprise which can transfer technology and know-how to Tunisia. End Comment.
GRAY